IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE FIRST DAY OF NOVEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE A.GOPAL REDDY

WRIT PETITION NO: 19590 of 2004

Between:

M/s. Valecha Engineering Limited, Having its registered Office at Valecha

Chambers 4th Floor, Plot No. B-6, andheri New Link Road, Andheri

(West),Mumbai - 450 053, Rep. by its G.P.A. Sri C. Cyril Reddy,
S/o. C. Raghunath Reddy aged 56 years, R/o. Plot No. 101, Sri Krishna Balaji

Apartment, Balaji Nagar, Mehdipatnam, Hyderabad

... PETITIONER

AND

1 Superintending Engineer, Panchayat Raj, Karimnagar.
2 Pay and Accounts Officer, Karimnagar.
3 Regional Vigilance and Enforcement Officer, Karimnagar.

...RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue an appropriate Writ, Order or direction more particularly one in the nature of Writ of Mandamus declaring the proceedings in Lr.No.ABI/390/SC/02-03 dated 11-03-2003 of the 1st respondent in seeking to deduct an amount of Rs.4,18,653/- in Lump sum Contract XIV Final Bill of Package KNP-27 covered by Agreement No.06/SE/PR/KNR/99-2000 dated 06-05-2000 towards additional seigniorage charges as arbitrary illegal, unconstitutional, contrary to the provisions of the above said agreement and of G.O.Ms.No.195 PR & RD (Progs.II) Department dated 10-05-

1999 and violative of principles of natural justice and set aside the same.

Counsel for the Petitioner: MR.C.V.MOHAN REDDY

Counsel for the Respondents: GP FOR PANCHAYAT RAJ & RURAL DEV.

The Court, at the admission stage, made the following:

ORDER:

Heard the learned counsel for petitioner as well as the learned Government Pleader appearing on behalf of the respondents. Both the counsel submit that the present writ petition is covered by an order passed by this Court in W.P.No.13263 of 2003 dated 09-12-2003 and requested for disposing of the writ petition at the stage of admission in the light of the aforementioned order, wherein it was held as under:

> " It is not in dispute that as per the terms and conditions of the agreements, the seigniorage charges will be recovered from the contractor's bills in terms of G.O.Ms.No.195, dated 10-05-1999 at the prevailing rates as on the dates of agreements. In the absence of any contract to the effect that the contractor is liable to pay seigniorage charges during the contract period as per the rates prevailing or as per the revised rates. The rates which will be recoverable as on the date of agreement will be final and the same can be recovered from the contractor's bills until the completion of the contract. In the absence of such agreement, no accrued right is reserved with the employer to recover seigniorage charges at the rates applicable from time to time. It is not open for the respondents to alter unilaterally the terms and conditions of the contract and recover the sengniorage charges at higher rate than the rate agreed upon. In view of the same, the revised rates as prescribed in G.O.Ms.No.331 dated 21-6-2000 cannot be made applicable to the concluded contracts and the respondents are entitled to recover the seigniorage charges only at the rates prevailing as on the dates of agreements but not otherwise."

The writ petition is disposed of with the same directions as referred to in the aforementioned order. No costs.

A. **GOPAL REDDY, J**

November 1, 2004

MRR

ASSISTANT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To:

1 Superintending Engineer, Panchayat Raj, Karimnagar.
2 Pay and Accounts officer, Karimnagar.
3 Regional vigilance and Enforcement officer, Karimnagar.

4 Two C.C. s to the G.P. for Panchayat Raj and Rural Development, High Court

Buildings, Hyderabad (OUT).

5 Two C.D. Copies.